

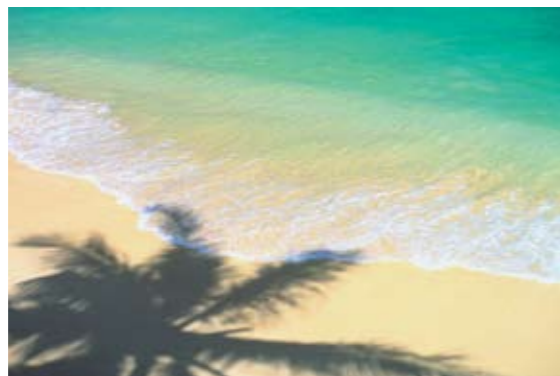


# Housing News

for landlords across Torbay

## Non-resident Landlord Tax Liabilities

**Living or working abroad all or part of the time?** Did you know that...



If you are not resident in this country but letting property here you have an obligation to pay tax on all rents collected from the tenants unless the Inland Revenue (IR) tell you otherwise!

If the IR believe you are living abroad and receiving income from rented properties in the UK and not declaring it then they may instruct the agent or tenant to pay them the 23%. In this case the agent would be whoever is passing on the rent to you e.g family, friend, bank etc.

**How will they find out?** - All letting agents

**One possible solution?** - Get authority from the Inland Revenue to receive rents without tax deducted.

**How to do that?** - Send off an NRL1 form (NRL2 for companies or NRL3 for trustees) and if your tax affairs in this country are in order they will give authority to your 'agent' or your tenant to pay rents to you without tax deducted.

**Want some more information?** - Most reputable letting agents have the information and forms available together with the leaflet (IR140) "Non-resident landlords, their agents and tenants". Alternatively you can contact the centre for non-resident landlords initially by telephone on **08450 700 040** (from outside the UK +**441 512 102 222**) or by email at **non-residents@inlandrevenue.gov.uk**

## LAST CALL FOR HOUSING IN MULTIPLE OCCUPATION LICENSING

Since the introduction of mandatory licensing for Houses in Multiple Occupation (HMOs) the Private Sector Housing Team have been busy issuing licences to those landlords of HMOs covered by the scheme.

There have been a few instances where properties believed to be licensable have been found to come outside the scheme on inspection and vice versa.

Unfortunately there are also a few landlords who have not made the necessary application for a licence despite several reminders. Legal action has now been started against the persons concerned.

This is a final request for any landlord who is uncertain whether their property needs to be included in the scheme to contact any member of the Private Sector Housing Team on **01803 208717**.

As a reminder the properties included are those which:

- are of 3 stories or more
- house 5 or more people from more than one family at least 2 of whom
- share a toilet, bathroom or kitchen.

**Welcome** to the fifth edition of Housing News, an information guide for landlords across Torbay. The housing newsletter is produced every three months. It includes news, issues and events from Torbay Council's housing services and housing benefit team, as well as information on trading standards, fraud, the latest legislation and news from partner organisations.

What would you like to see included in the newsletter? Have you got any housing-related news that could be shared with others? If you would like to have your say, please e-mail **housingnews@torbay.gov.uk** or telephone **01803 208069**.

## Tenancy Deposit Protection Scheme

In April this year the Government introduced a new Tenancy Deposit Protection Scheme (TDPS). The scheme will only affect landlords/agents who receive a deposit from a tenant on assured shorthold tenancies taken on or after Friday 6 April.

TDPS places a responsibility onto the landlord to safeguard the tenant's deposit into one of two schemes:

- Custodial scheme - this requires the landlord to hand the deposit over to a centrally run scheme. At the end of the tenancy, if the landlord and tenant agree how the deposit should be divided, they will tell the scheme which returns the deposit, divided in the way agreed by both parties. If there is a dispute, the scheme will hold the amount until the dispute resolution service or courts decide what is fair. Any interest accrued will be used to pay for the custodial scheme and there is no cost to using this scheme.
- Insurance based scheme - with this scheme the landlord keeps hold of the deposit but pays a premium to an insurer. At the end of the tenancy, if the landlord and tenant agree how the deposit should be divided, the landlord returns all or some of the deposit. If there is a dispute, the landlord must hand over the disputed amount to the scheme for safekeeping until the dispute is resolved.



There are 3 approved schemes, one providing for the custodial scheme and two for the insurance based schemes (further information can be found at **www.communities.gov.uk**).

Once a landlord/tenant has received the deposit from their tenant they have 14 days to place it into one of the schemes and inform the tenant where it has been placed. Failure to comply with this means that the tenant can claim three times the value of the deposit from the landlord.

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HMO Licensing

### Useful telephone numbers:

Benefit Fraud Hotline:  
0800 731 2731  
(free, confidential and open 24 hrs a day)

Torbay Council's Benefit section:  
Tel: 01803 207201  
Fax: 01803 292866

Supporting People team:  
01803 208377

Housing Advice Enquiry Line:  
01803 208723

Housing Grants/Enforcement/  
Standards & Advice:  
01803 208717

### Energy Efficiency:

Devon Energy Efficiency Advice Centre:  
0800 512012

Warmfront (Heating Grants):  
0800 3162814

Insulation Grants:  
0800 564456

This document can be made available in a range of languages, on tape, in Braille, large print and in other formats. For further information please contact 01803 208793/8353.

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This leaflet is printed on 80% recycled paper

## Landlords and the Regulatory Reform (Fire Safety) Order 2005

This Order came into force on Sunday 1 October 2006 and replaced most fire safety legislation which was previously regulated by the Fire Services, such as fire certificates.



The Order requires the person having control of the premises (the Responsible Person) to conduct a fire risk assessment and implement general fire precautions for the safety of persons who are at risk from a fire on the premises (Relevant Persons).

The definition of "Responsible Person" includes managing agents and owners of shared parts of Houses in Multiple Occupation and includes shared fire safety provisions such as fire detection systems.

Consequently, in order to decide what the general fire precautions should be, the Responsible Person is required to carry out a suitable and sufficient fire risk assessment, which includes assessing policies and procedures, fire drills and means of escape as well as fire safety provisions such as fire detection systems, emergency lighting and fire resisting doors.

Whilst the Order refers to shared areas of houses in multiple occupation, it does not replace the fire safety requirements of Housing Legislation for such premises. The responsibility for giving advice and ultimately enforcement remains with the local authority.

Further guidance on conducting risk assessments, together with a full breakdown of responsibilities and definitions, is available from [www.communit.es.gov.uk](http://www.communit.es.gov.uk).

## HOUSING BENEFIT – changes in your tenant's circumstances

If you receive direct payments of Housing Benefit for your tenant(s) please make sure you have read the notes which accompany the payment about changes in circumstances.

You need to tell the council promptly about changes in your tenants circumstances of which you can reasonably be expected to be aware.

You can find out more about these changes by visiting the council's website at [www.torbay.gov.uk/index/housing/landlords/landlords-benefit-information.htm](http://www.torbay.gov.uk/index/housing/landlords/landlords-benefit-information.htm)

## Update on financial assistance for landlords

In the last newsletter, financial assistance available for landlords was covered. This is a limited amount of money aimed at helping landlords to improve their properties over and above the legal minimum. For example providing full heating or bringing empty properties back into use. Some cases would have conditions attached such as 'nomination rights' or that the property will remain rented for a 5 year period.

In the last financial year about £85,000 was spent on these types of grants. In return, the council obtained nomination rights which will be used to help people who approach the council wanting rented accommodation.

Several properties now have full heating which both improves the physical conditions at the property and also indirectly helps with the health of occupiers. Poor health due to excess cold is strongly linked with insufficient heating.

In this financial year there is again demand building up, especially for converting large old properties into smaller units. Obviously this will need to be assessed as to which cases help meet the councils strategic housing aims. This will help the limited resources be most effectively targeted. If you become accredited, you will have priority access to the funding.



## ARE YOU READY TO GO SMOKE FREE FROM JULY 1ST 2007?

You may have read and heard in the media that 'smoking' laws are coming in this year. From Sunday 1 July, virtually all enclosed and substantially enclosed public spaces and workplaces will be required by law to be smoke free.

The aim is to protect people from the harmful effects of second hand smoke. You may be wondering why this should affect you if you are a landlord. Some types of properties will have 'public' spaces in them, for example, the common areas of blocks of flats or shared rooms in hostels or bedsits.

As a landlord you should advise your tenants and maybe consider incorporating a term in any tenancy agreement to reflect this. In addition it will help to contribute towards improving fire safety and a main source of accidental ignition will be reduced. You can receive free information and signs from [www.smokefreeengland.co.uk/stayinformed](http://www.smokefreeengland.co.uk/stayinformed) or phone the information line on **0800 1691697**.

If you or anyone you know, wants to give up smoking you can get practical help and support from Torbay Stop Smoking Services on **0800 299 160**.

## Local Housing Allowance (LHA)

The Welfare Reform Bill has now passed through Parliament to the House of Lords. This includes legislation to roll out LHA nationally in April 2008 which will need to be given Royal Assent by the beginning of June if it is to happen on time.

As you may know a number of pathfinder Local Authorities have already implemented LHA (Teignbridge District Council is the nearest to Torbay) and evaluation of LHA from these local authorities can be found on the Department for Work and Pensions website at [www.dwp.gov.uk/housingbenefit/lha/evaluation](http://www.dwp.gov.uk/housingbenefit/lha/evaluation)

The DWP have said that the while LHA has been largely successful, they plan to change certain elements before national roll-out.

These changes involve:

- capping the amount of LHA a tenant can receive over and above their rent. This is to prevent a tenant from receiving a large excess and, therefore, losing their incentive to work
- basing the LHA size criteria on bedrooms rather than bedrooms and living rooms. This is to reflect the way in which property is advertised and let
- changing the way in which LHA rates are set to more accurately reflect the range of rents in that area
- rolling out the LHA to new claims only – to ensure the change is handled successfully.

The period leading up to April 2008 is going to be a very busy time and we will make sure that all landlords are aware of the impact it will have.

**LANDLORD ACCREDITATION** The development of the landlord accreditation scheme is nearing completion and is due to be launched in September.

The landlord accreditation scheme is being developed to recognise good landlords and help develop standards across the profession. From a tenant's perspective, they will be able to identify those landlords who manage their tenancies and their properties well and who are fit and proper.

Joining the scheme offers a number of benefits to landlords including:

- free access to a Housing Benefit Hotline
- priority access to grant funding
- free cavity wall insulation
- solar energy grant
- discounts from a wide range of local companies offering a variety of services from mortgage advice to removals.

If you would like to register your interest in joining the scheme please contact **01803 208069**.

